



BOARD OF DIRECTORS REGULAR MEETING STUDY SESSION MINUTES

Thursday, January 14, 2021 at 3:00 PM
Via Teleconference – No Live Attendance

CALL TO ORDER

President Wright called the meeting to order at 3:00 PM

PLEDGE OF ALLEGIANCE

ROLL CALL

BOARD MEMBERS PRESENT: President Nancy Wright, Director Randy Duncan, Director Steve Grasha, Vice President Russ Martin, Director Ivan Sewell

STAFF PRESENT: Arden Wallum, Dori Petee, Brian Macy, Matt McCue, Danny Friend, Arturo Ceja, April Scott, Amanda Lucas, Victoria Llor, Oriana Hoffert

RULES OF PROCEDURE

Rules of Procedure were ready by General Counsel, John Pinkney.

First all noticed meetings are conducted using Rosenberg's Rules of Order as procedural guidance. Directors should refrain from responding directly to public comment at meetings of the Board. The President of the Board presides at all meetings and decides all points of order and procedure during meetings. The President is responsible for maintenance and decorum at all Board meetings. No persons shall be allowed to speak who is not first been recognized by the President. All questions and remarks should be addressed to the President as the presiding officer. No member of the Board should speak more than once upon any one subject until every other member on the Board, wishing to speak on the subject shall have been given the opportunity to speak. No Board member shall interfere with the orderly progress of a Board meeting. In order to ensure the orderly progress of Board meetings the Board President regulates the amount of time to be dedicated to a particular agenda item."

PUBLIC INPUT

No public input

EMPLOYEE RECOGNITION

The Board acknowledged the following employees: Arturo Ceja - Accounting Manager for 10 Years; Lorenzo Soto - Field Operations Technician I for 4 Years. The Board also acknowledged; Arturo Ceja for earning his Master's in Business Administration (MBA) with a concentration in Accounting

COVID-19 UPDATE

Mr. Wallum noted that numbers are up and continue to increase. Mr. Macy reported the District continues to social distance and disinfect offices, additionally staff continues to work in split team. To date four employees have tested positive for COVID but contact tracing does not trace that back to the District. Safety continues to be our first priority.

APPOINTMENTS TO BOARD STANDING COMMITTEES

President Wright may appoint members to the District's standing committees.

President Wright made the following potential appointments; this will be discussed further at Tuesday's Board Meeting.

Executive Committee: Chair - Wright; Member - Martin

Engineering Committee: Chair - Grasha; Member - Sewell

Finance Committee: Chair - Martin; Member - Grasha

Human Relations Committee: Chair - Duncan; Member - Wright

Public Affairs Committee: Chair - Sewell; Member - Duncan

AFFILIATION LISTING

It is recommended to review, update if necessary and approve the current Board Affiliation Listing.

President Wright encouraged the Board to review the current affiliation list and be prepared to discuss on Tuesday.

REVISION TO MISSION SPRINGS WATER DISTRICT PERSONNEL RULES AND REGULATIONS

It is recommended to adopt Resolution No. 2021-01 providing for the revision to Mission Springs Water District Personnel Rules and Regulations.

Mr. Pinkney noted the minor change to the MSWD District Personnel Rules and Regulations. The change to rule 1A-1 is the preamble that directs the reader to the relevant provisions of the water code. Added the language to rule 1A-1 is "Pursuant to Water Code Sections 30580 and 30581," the rest reads as previously presented.

FEDERAL ADVOCACY SERVICES – CARPI & CLAY, INC.

It is recommended to authorize the General Manager to execute an Agreement for Services with Carpi & Clay Government Relations in the amount of \$4000/month for the term February 1, 2021 to January 31, 2022.

Laura Morgan Kessler presented an annual legislative update to the Board. Mr. Wallum recommended renewing this contract for another year.

CONTRACT AGREEMENT WITH LAYNE CHRISTENSEN COMPANY FOR THE REHABILITATION OF WELL 26

It is recommended to authorize the General Manager to award a contract agreement with Layne Christensen Company (Layne), for the Rehabilitation of Well 26, for a not to exceed amount of \$147,379.31, plus a 10% contingency (total \$162,117.24), augment the capital improvement budget to \$182,500 for Job number 11343, and do all things necessary to complete the project.

Mr. Friend presented this item and PowerPoint to the Board. This item asks for forgiveness as opposed to permission as due to emergency work this project is already underway. On November 12, 2020 staff visited Well 26 and observed a strong vibration as well as witnessed a significant decrease in the water production to below 50 gallons per minute. The well was taken off-line immediately and contacted

Layne Christensen to pull the motor and pump for evaluation. The evaluation determined the pump assembly and well casing had some substantial issues.

CONTRACT AGREEMENT WITH AECOM FOR BIDDING PERIOD SUPPORT SERVICES FOR THE REGIONAL WATER RECLAMATION FACILITY

It is recommended to authorize the General Manager to negotiate and execute a contract with AECOM for a not to exceed amount of \$135,000.00 for bidding period support services of the Regional Water Reclamation Facility (RWRF) Project.

Mr. Friend noted that the RWRF is a vital component in expanding the Districts wastewater treatment capacity. With the final design nearing completion staff is preparing for the bidding phase. AECOM will provide bidding period support services for this project.

ACCEPT AUDITED FINANCIAL STATEMENTS FOR YEAR ENDED JUNE 30, 2020

It is recommended to review and accept the audited financial statements as presented by Rogers, Anderson, Malody & Scott, LLP.

Brad Welebir of Rogers, Anderson, Malody & Scott, LLP., presented the results of the annual audit. He reviewed the process of the audit and gave their opinion of our financial statements. Opinion: "In our opinion, the financial statements present fairly, in all material respects, the financial position of the District as of June 30, 2020 and the changes in net position and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America, as well as accounting systems prescribed by the California State Controller's office and state regulations governing special districts."

MID-YEAR BUDGET REVIEW AND PROPOSED FY 2020/21 SUPPLEMENTAL BUDGET REQUEST

It is recommended to approve the FY 2020/21 supplemental budget request.

Mr. McCue noted this item was presented at the Board Workshop on Tuesday, January 12, 2021. He brought attention to the Staff Report and subsequent report items in this meetings packet. It is recommended to increase the operating revenue by \$2,337,707, increase Operating Expenses budget by \$1,019,600 and increase the capital budget \$1,915,500 (comprised of five capital projects). Also, staff recommends adding one range (31) to the Salary Matrix.

MISSION SPRINGS WATER DISTRICT REGIONAL WATER RECLAMATION FACILITY

Steve Ledbetter with TKE Engineering gave today's update. He gave an overview of procedural items and ended with an update on the SRF/Grant funding.

CONSENT AGENDA

Consent agenda items are expected to be routine and non-controversial, to be acted upon by the Board at one time, without discussion. If a member would like an item to be handled separately, it will be removed from the Consent Agenda for separate action.

APPROVAL OF MINUTES

REGISTER OF DEMANDS

MAKE THE CONNECTION FINANCIAL ASSISTANCE PROGRAM APPROVAL

The following have submitted an application for a non-transferable lien agreement to connect to the sewer system:

10620 Cactus Drive - \$2925.00

EVENTS & DIRECTOR'S REPORTS

Will be reported on Tuesday.

GENERAL MANAGER REPORT

Mr. Wallum noted a detailed report on the Vista Revisor incident. Victoria Lloret briefly reviewed the Public Outreach report provided in the packet.

FINANCIAL REPORT

Matt McCue gave the financial report for the period ending October 31, 2020.

Net Operating Income (Loss) – variance from Budget		\$3,114,603
Net Non-Operating Income (Loss) – variance from Budget		\$(3,399,934)
Net Income (Loss) – variance from Budget		\$(285,331)
<i>Cash</i>		
Increase (Decrease) in Cash		\$(753,336)
Balance of Cash at beginning of year (July 1)		\$ 34,708,247
Balance of Cash at end of period		\$ 33,954,911
Unrestricted Cash		\$ 2,934,207
<i>Restricted Cash</i>		
Capital Reserve Fund		\$30,037,590
Other Restricted Cash		\$31,020,703
Cash in Custody of MSWD		\$ 33,954,911

DISTRICT COUNSEL REPORT

John Pinkney reported on items his law firm assisted with last month.

Director Duncan commented on item number 9 on this agenda; he noted it is ludicrous for Director Grasha to accuse the staff and Board of embezzlement and money laundering to the CPA firm contracted to perform our audit. He noted that these accusations continue to go unproven.

CLOSED SESSION**CONFERENCE WITH LEGAL COUNSEL REGARDING EXISTING LITIGATION**

pursuant to Government Code Section 54956.9(d)(1).

One Case: Case No. PSC 1600676
(Mission Springs Water District vs. Desert Water Agency)

CONFERENCE WITH LEGAL COUNSEL REGARDING EXISTING LITIGATION

pursuant to Government Code Section 54956.9(d)(1)

One Case: Case No. RIC2003782
(George Padilla and Sharon Moreno vs. Mission Springs Water District).

CONFERENCE WITH LABOR NEGOTIATORS

pursuant to Government Code Section 54957.6:

Agency designated representatives: Board President Nancy Wright and Vice President Russ Martin.
Unrepresented Employee: General Manager

REPORT ON ACTION TAKEN DURING CLOSED SESSION

The Board met in closed session on the two above items. There was no reportable action.

ADJOURN

President Wright adjourned the meeting at 6:08 PM

Respectfully submitted,

Arden Wallum
Secretary of the Board of Directors